

NOTICE OF PUBLIC HEARING

Pursuant to Hawaii Revised Statutes ("HRS") section 431:2-201 and chapter 91, notice is hereby given that the Insurance Division ("Division") will hold a public hearing on Monday, December 13, 2004, at 9:00 a.m., in the Queen Liliuokalani Conference Room, First Floor, King Kalakaua Building, Department of Commerce and Consumer Affairs, 335 Merchant Street, Honolulu, Hawaii, to hear all persons interested in the proposed adoption of Hawaii Administrative Rules ("HAR") chapter 16-171 entitled "Miscellaneous Insurance Rules."

The purposes of the proposed chapter are to adopt rules that clarify insurance licensing, payment, and health procedures and update the current mortality table which is used to calculate life insurance and annuity minimum reserve requirements. These proposed rules are divided into four subchapters and are described as follows:

Subchapter 1, General Provisions, provides definitions applicable to the chapter and requires insurers to notify insureds when claims payments are not made to insureds but to their designated representatives.

Subchapter 2, Health Provisions, requires managed care plans to: (1) provide certain information to a policyholder or authorized representative regarding the basis for policyholder's premiums, upon request and payment; and (2) clarify that a managed care plan must file rates that comply with Title 24, Hawaii Revised Statutes ("HRS"), even though the plan meets all the requirements under HRS §393-7, Required Health Care Benefits.

Subchapter 3, Licensing Requirements, clarifies producer licensing and surplus lines broker licensing requirements in regards to: (1) the terms of various licenses; (2) licensing renewals or extensions for various persons and entities; (3) licensing fees and penalties; (4) continuing education requirements and credits, including requirements for license reactivation, renewal, and approval of a continuing education course; (5) passing examination scores; (6) the term for licensure for a managing general agent the requirements for that agent's bond or error and omissions policy; (7) the terms for licensure for a reinsurance intermediary broker and a reinsurance intermediary manager; (8) reinsurance intermediary broker's bond or error and omissions policy; (9) the term for vehicle protection warrantors' registrations; and (10) the term for service contract provider registrations.

Subchapter 4, CSO Mortality Table for Use in Determining Minimum Reserve Liabilities and Nonforfeiture Benefits, authorizes the use of the 2001 Commissioners' Standard Ordinary (CSO) Mortality Table for the computation of the minimum reserve standard for nonforfeiture and valuation of life insurance policies and contracts. Various CSO mortality tables are defined. Insurers may elect to use may use the 2001 CSO Mortality Table as the minimum standard for policies issued on or after January 1, 2005, subject to certain, delineated conditions. In certain circumstances, an insurer may choose to use gender-blended tables for

an ordinary life insurance policy delivered or issued on or after January 1, 2005.

All interested persons shall be afforded the opportunity to submit data, views, or arguments, orally or in writing, to the Division at the time of hearing. All written and oral submissions regarding the proposed rules shall be fully considered. All persons wishing to submit written testimony are requested to submit 10 copies of their written testimony by Monday, December 6, 2004, to the Division at the address noted below.

A copy of the proposed rules will be mailed to any interested person who requests a copy and pays the Division's required fee of \$4.00 for the copy and postage. Please submit your request to the Division at the address noted below or contact the Division's Office Services Branch via telephone at (808) 586-2790.

A copy of the proposed rules may be obtained before the date of the hearing between 7:45 a.m. and 4:30 p.m., Monday through Friday, excluding holidays, at the following address: Department of Commerce and Consumer Affairs, Insurance Division, 335 Merchant Street, Room 213, Honolulu, Hawaii 96813. A \$3.00 charge will be due and payable at the time of picking up the proposed rules.

Further, the proposed rules may be reviewed in person free of charge at the Division at the address and hours of operation noted above. In addition, the full text of the proposed rules is available for review and can be downloaded free of charge from the website of the Department of Commerce and Consumer Affairs:

<http://www.hawaii.gov/dcca/ins/>.

Individuals who require special needs accommodations are invited to call John Wienert at (808) 586-2790 at least four (4) working days prior to the hearing. The Division intends to make its decision on the proposed rules at the time of the hearing. However, in the event the Division decides to take the decision on the proposed rules under advisement, it will announce the date when it intends to make its decision.

J. P. Schmidt
Insurance Commissioner
State of Hawaii